GOVERNMENT OF INDIA
HEAVY INDUSTRIES AND PUBLIC ENTERPRISES
LOK SABHA

UNSTARRED QUESTION NO:1679
ANSWERED ON:25.07.2002
PRODUCTION OF HSL AND SAMBHAR SALT
RASA SINGH RAWAT

Will the Minister of HEAVY INDUSTRIES AND PUBLIC ENTERPRISES be pleased to state:

(a) the annual production of Hindustan Salt Limited and Sambhar Salt Limited during the last three years, year-wise, till date;

(b) whether the HSL and Sambhar Salt Limited are suffering loss during the said period;

(c) if so, the reasons for the losses being suffered by these undertakings and the steps being taken by the Government to make these units profitable;

(d) whether the Government of Rajasthan has sent any proposal to take over this Public Undertakings itself; and

(e) if so, the reaction of the Government in this regard?

Answer

MINISTER OF STATE IN THE MINISTRY OF HEAVY INDUSTRIES AND PUBLIC ENTERPRISES (DR. VALLABHBHAI KATHIRIA)

(a) Production (Rupees in lakhs)

Year	Hindustan Salts Ltd.(HSL)	Sambhar Salt Limited (SSL)
1999-2000	381.53	516.57
2000-2001	510.39	382.57
2001-2002(Prov)	524.00	807.00

(b) Yes, Sir.

(c) The reasons for losses in HSL/SSL are inadequate flow of water into the Sambhar Lake, the main source of brine for the production of salt, a downturn in the chlor-alkali industry, a major consumer of salt from Sambhar, recession in salt industry, statutory increase in salaries & wages, high interest burden, low production levels and lack of refining facilities.

Government of India is providing budgetary support to the Company for implementation of various projects/schemes to improve its performance. In order to reduce over heads, funds under VRS are also being given to the Company to reduce excess manpower. Both HSL and SSL have been referred to BIFR on erosion of their net worthHSL has been declared sick by BIFR and IDBI has been appointed as Operating Agency for HSL to prepare a revival plan.HSL and SSL have also been referred to the Ministry of Disinvestment in order to locate a JV partner who is expected to bring in the necessary inputs to turn around the PSUsAn Inter-Ministerial Group for the disinvestments of Government equity in these Companies has been constituted.

(d & e): The Government of Rajasthan had requested the Government of India for retransfer of the leased out area of SambharSalt Limited. The request was not agreed to as it was felt that transfer would not be in the overall interest of the company.